

WASTE TIRE

To better serve you, the Arizona Department of Revenue offers online assistance and filing of your business taxes. To file your taxes online or to register to use the website, go to www.aztaxes.gov.

This publication is for general information on waste tire fees for businesses selling new tires and motor vehicles which are licensed to operate on Arizona roads. For complete details, refer to the Arizona Revised statutes and the Arizona Administrative Code. In case of inconsistency or omission in this publication, the language of Arizona Revised Statutes and the Arizona Administrative Code will prevail.

See Arizona Revised Statutes §§ 44-1302, 44-1304, 44-1305 and 44-1306 for reference.

Waste Tire Fees

Arizona imposes a fee on the sale of motor vehicle tires. Sales that are subject to the waste tire fees include both separate sales of the tires themselves as well as sales of tires on new vehicles.

The purpose of the fee is to fund waste tire disposal programs to ensure that tires are disposed of in an environmentally safe manner. Counties use the funds to administer programs which ensure that tires are disposed of in accordance with rules which have been adopted by the Department of Environmental Quality.

Who Must Pay the Fee?

You owe waste tire fees if you make retail sales of new motor vehicle tires or motor vehicles. This means that not only are tire distributors subject to the fee, but also auto dealers and a wide range of retailers selling vehicles licensed for use on the roads. Some examples include:

- Automobile and truck dealers
- Automobile part stores that sell tires
- Automobile repair and body shops selling tires as a part of repairs
- Boat dealers that sell trailers or trailer tires
- Golf cart dealers
- Department stores with automotive departments which sell tires
- Heavy equipment dealers that sell equipment licensed for road usage
- Mobile home dealers
- Motorcycle dealers
- RV dealers
- Trailer dealers
- Truck stops that sell tires
- Tire dealers

The fees do not apply to tires for off-road vehicles or non-motorized vehicles, such as bicycles.

How Much is the Fee?

The waste tire fee is 2 percent of the retail price of the tire, up to a maximum of \$2 per tire. The fee for new vehicles (where the price of the tires is not listed separately on the invoice) is \$1 per tire. All new vehicles sold or leased at retail are subject to the fee, even if the vehicle is sold with specially purchased tires. A credit of 10 cents per tire is allowed to be kept by the seller. The waste tire fee must be listed separately on any invoice.

Due Dates

Waste tire fees collected by retailers must be remitted to the Department of Revenue on a quarterly basis, with the reporting form TR-1.

The return and payment are due on the 20th of the month following the end of each quarter - that is April 20, July 20, October 20, and January 20. Delinquent penalties are 5 percent per month for late filing and 10 percent for late payment, up to a maximum of 25 percent. The interest rate for delinquent accounts accrues at the same rate as charged by the IRS.

Public Notice Requirements

Retail or wholesale sellers of new motor vehicle tires must post a written notice which is clearly visible in the public sales area of the business. The notice must contain the following language:

It is unlawful to throw away a motor vehicle tire.

Recycle all used tires.

This retailer is required to accept scrap tires if any new or recapped tires are purchased here.

When any new tire is purchased, an additional fee will be charged.

In advertisements or other printed promotional material for their tire sales, retailers are required to include the following notice in bold print:

"State or local taxes or surcharges for environmental protection will be an extra charge."

For additional information, call:

Phoenix 602-255-2060
Toll free from area codes 520 & 928..... 800-843-7196

For Hearing Impaired – TDD only:

Phoenix 602-542-4021
Toll free from area codes 520 & 928 800-397-0256

Or write to:

Arizona Department of Revenue
Taxpayer Information & Assistance
1600 W Monroe
Phoenix AZ 85007

Internet Address: www.revenue.state.az.us

This document is available in an alternative format upon request.